



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 Delaware Avenue
Wilmington, Delaware 19899

DIVISION OF REVENUE
TAX RULING 77-3

March 17, 1977

- Income Tax Withholding
- Exemptions - Federal Form W-4

As a result of the Tax Reform Act of 1976, the Internal Revenue Service has issued a revised Form W-4 (Employees Withholding Allowance Certificate) which provides for claiming additional exemptions for Federal withholding purposes to reflect the child care credit, the earned income credit and the credit for the elderly to which a taxpayer may be entitled under the new law. Since these credits are not allowable for Delaware income tax purposes, employees should modify their Federal W-4 Form for State of Delaware income tax withholding purposes by eliminating the number of exemptions for such credits claimed on line (i) of Federal Form W-4 (as revised). This will avoid underwithholding of Delaware income tax.

Tax Newsgram 75-1, dated January 22, 1975, is modified accordingly.

Robert R. Smyers
Acting Director of Revenue

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